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Russia and the EU in Syria: Need for New Approaches?



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This working paper aims to analyse the post-conflict reconstruction in Syria, especially in terms of Russian and EU approaches on the issue. The authors examine the main problems of reconstruction and adopted strategies, paying particular attention to topics such as the nature and international status of ongoing processes, sanctions effectiveness and need for transformation. Additionally, experts stress the human factor of the problem and necessity for more comprehensive approaches. The paper highlights the possibility of selective engagement of both parties on post-conflict reconstruction in Syria and the prospects for their increasing influence within the ongoing situation.

The views and opinions of authors expressed herein do not necessarily state or reflect those of the Russian International Affairs Council.

The full text of the working paper is available on RIAC's website. You can download it or leave a comment via this direct link – russiancouncil.ru/en/paper57

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Introduction

Dr Andrey
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Perthes

This publication presents both a Russian and a European view on how either side should deal with Syria and the matters of reconstruction, rehabilitation and humanitarian aid. Discussions of these issues began at the beginning of the civil war in Syria almost ten years ago. With each passing year, the problems have also become more complicated. This pertains to the ongoing destruction of the country and the price tag for any rehabilitation or reconstruction, as well as to continuing political disputes about military and political interventions or access to the country for UN agencies and humanitarian aid.

The two papers in this publication, by SWP expert Muriel Asseburg and RIAC expert Aleksander Aksenenok, clearly deal with the subject matter from different perspectives, and they are not symmetric. Neither M. Asseburg nor A. Aksenenok is speaking on behalf of the EU or Russian government.

M. Asseburg takes stock of the European approach in Syria and focuses on ways to make European engagement more effective, thus contributing to alleviating the misery and allowing for the creation of livelihoods in Syria more sustainably. It does not advise Europeans to engage in reconstruction until there is a change of behaviour in Damascus. But it argues in favour of going beyond emergency aid and sketching out a way forward by fleshing out a “more for more” approach. Her paper is thus addressed, first and foremost, towards European policymakers. It also argues that a Russian-European dialogue on a set of specific issues could be helpful to further that aim, despite persisting differences with regards to the stabilisation of Syria, as well as other issues that strain EU-Russia relations.

A. Aksenenok, on the one hand, further delves into the issue of how, from a Russian perspective, the European approach would need to be changed, stressing that the EU should lift its sanctions on and contribute to reconstruction in Syria. On the other hand, he makes suggestions for changes in the Russian approach. Specifically, he suggests that Russia should acknowledge that conflict resolution in Syria encompasses multiple parallel tracks where the economy cannot be separated from politics. He also suggests that Russia should probe an alternative set of concrete steps (refugee return, CBM, tangible progress towards a political settlement, releasing political prisoners, civilian protection, humanitarian access, etc.), which Damascus would be asked to take in return for a package of economic incentives from the EU.

Thus, this publication is not a quest for the lowest common denominator between the EU and Russia’s positions on the Syrian post-conflict reconstruction. In our view, it is important to not only articulate common or overlapping positions of the two sides, but also to identify and analyse differences in approaches and divergences of interests between the EU and Russia. These differences and divergences should set the parameters for future debate and research. The two papers demonstrate that European and Russia experts have a broad agenda to work on.

Additionally, they can serve as a basis for such a debate, even though – or because – they do not hide the fundamental differences between European and Russian approaches to Syria. As the EU focuses on humanitarian aid, it does not insist on high-ranking personnel change in Syria, but rather links any substantial contribution to reconstruction to political changes in Syria. This has for some time now mainly been defined as meaningful progress in the UN-facilitated Constitutional Committee talks in Geneva. European actors would also see guarantees for those parts of the population that have been in opposition to the regime as essential conditions for any support to reconstruction. They want to make sure that money spent on rehabilitation and reconstruction should not end up in the coffers of the regime elite or its cronies.

Russia is not unaware of the deficiencies of the Syrian regime, particularly the repression of dissent, lack of will to reconcile, and wide-ranging corruption. But it has from the beginning and throughout its military intervention seen its priority in supporting the government in regaining control over the territory of Syria. Russia has also supported reconciliation in areas that were retaken by government forces, and it has been actively engaged in rebuilding the Syrian Arab Army and integrating former rebel fighters into it. Political and behavioural change was seen as necessary, but only on the basis of a re-stabilised state and preferably by way of constitutional reform. In order to stabilise the country, Russia wants the EU and other international actors to support reconstruction efforts.

From a European perspective, however, the international debate cannot be limited to the question of reconstruction. Rather, most European policymakers and pundits would see Russia's military intervention and its failure to get the Syrian president and his government to make any efforts at domestic reconciliation or commit to the UN-facilitated constitutional process as major parts of the problem.

For the time being, therefore, the UN-facilitated constitutional process in Geneva constitutes the only common denominator between Russia, the EU, its member states, and other international actors with regard to international engagement in Syria. This does not mean, however, that these actors would agree on how far political and constitutional change would have to go.

Since, arguably, both the EU and Russia have so far failed to achieve their respective priorities in Syria, it is useful to present two different perspectives on what lies ahead and what needs to be discussed or further researched.

We hope that by presenting the papers of M. Asseburg and A. Aksenenok, we can trigger a useful debate between academics, think tanks or even policymakers on how to address the deterioration of the humanitarian situation, how to make international support more effective, and how, in the long run, to achieve sustainable stabilisation to see a peaceful, prosperous and politically stable Syria that does not generate threats and challenges either for its neighbours or for its own diverse population. More exchange between Russian and EU scholars might help to provide useful input for a political dialogue between Moscow and Brussels.-

The EU Needs to Adapt its Syria Strategy¹

Muriel
Asseburg

Armed confrontations in Syria are not over yet. Five global and regional powers (Iran, Israel, Russia, Turkey and the U.S.) maintain a military presence in the country. And yet, the civil war has long since turned in favour of the regime. Also, reconstruction has already begun – albeit not as a country-wide, centrally planned, controlled and internationally financed programme, as the standard approach of international financial institutions would prescribe. Instead, players with different and partly contradictory interests – above all, the Syrian leadership, Russia, Turkey and Iran – have been implementing separate, specific projects, mainly at a local level. These projects have one thing in common: they are hardly geared towards the needs of the population affected by the conflict and the deepening economic and currency crisis. The deterioration of the humanitarian situation in Syria – accelerated by the collapse of the Lebanese economy and banking sector, measures aimed at containing the COVID-19 pandemic, sanctions imposed on Damascus and its partners, and reduced cross-border access to areas not under Damascus' control – has been stark. In June 2020, the UN warned of impending famine.

Yet, the leadership in Damascus prioritises the consolidation of its authority above everything else. It uses reconstruction to entrench the population exchanges carried out in the course of the war through flight, forced displacement and so-called reconciliation agreements. Moreover, economic reconstruction provides Damascus with an opportunity to reward the loyalty of old and new elites with lucrative investment opportunities and compensate the regime's international supporters – above all, Russia and Iran – via access to Syria's resources. At the same time, structural reforms are no more on the agenda than transitional justice or reconciliation. On the contrary, grave human rights violations continue.

On the one hand, Damascus has created the legal basis for reconstruction and carried out widespread expropriations of land and property without proper levels of transparency and compensation. It has prevented internally displaced people (IDP) and refugees from returning to areas considered to be strategic. And it has torn down whole neighbourhoods to create space for lucrative investment projects.

On the other hand, it has set a framework for humanitarian help, which gives the regime a monopoly on decision-making – at least in the areas it controls –

¹ Muriel Asseburg's and Aleksander Aksenenok's materials were first published on the website of The EU-Russia Expert Network on Foreign Policy (EUREN) as "EUREN Brief 16. Economic reconstruction in Syria — an area for EU-Russia selective engagement?" Mode of access: <http://eu-russia-expertnetwork.eu/en/analytcs/euren-brief-16>. An earlier version of Muriel Asseburg's piece was published as "The EU needs a new Syria strategy" in *International Politics and Society*, 27 April 2020. It can be accessed here: <https://www.ips-journal.eu/regions/middle-east/the-eu-needs-a-new-syria-strategy-4303/>. The original paper addressed European policy makers and publics. It has been updated for this publication, and some reflections on potential EU-Russia cooperation have been added. For an in-depth analysis see also: Muriel Asseburg, *Reconstruction in Syria. Challenges and Policy Options for the EU and its Member States*, Berlin: Stiftung Wissenschaft und Politik, July 2020, https://www.swp-berlin.org/fileadmin/contents/products/research_papers/2020RP11_ReconstructionSyria.pdf.

as to who is allowed to provide international aid where and who will benefit from it. It has thus made sure that emergency aid is not distributed according to humanitarian principles but is based on the regime's interests instead. As a consequence, people living in areas formerly held by the rebels, who suffer from the greatest war damage, are particularly disadvantaged.

The Syrian leadership has made it clear that it will accept foreign involvement in economic reconstruction only from friendly countries that grant their support unconditionally. Yet, Damascus's friends, Russia and Iran, are neither in a position nor willing to provide funds for comprehensive, country-wide reconstruction. Other potential supporters have so far either categorically rejected involvement (the U.S.), been hesitant (the Arab Gulf states), merely positioned themselves for future involvement (China) or been focused exclusively on the areas they occupy (Turkey). The economic effects of the COVID-19 pandemic, especially the sharp fall in global oil prices, are likely to further reduce available resources, particularly from Arab Gulf countries.

The EU Approach to Syria

The European Union and its member states have made their support for reconstruction efforts in Syria conditional on progress towards a negotiated resolution of the conflict and a political opening in Syria. In the absence of such progress, EU involvement has remained mainly limited to humanitarian aid. According to their own accounts, the EU and its member states are by far the biggest donors in this area. From 2011 until late autumn 2019, they provided over €17bn in humanitarian aid for Syrians inside the country and in neighbouring states. Most of this aid is being rolled out by UN organisations and international non-governmental organisations as emergency aid to local populations, refugees and IDP.

The EU and its member states have also imposed comprehensive sanctions against the Assad regime and its supporters. These sanctions target those who have suppressed the population and used internationally banned weapons – activities that directly benefit the Assad regime – or those who have profited from business dealings violating housing, land and property rights. The European sanctions also aim to isolate the regime internationally and limit its revenues and capacity for repression. In this vein, the Europeans have imposed an arms embargo against Damascus, as well as export restrictions on goods that can be used for repressive actions against the Syrian population. They have also enacted an oil embargo, frozen the assets of Syria's central bank in the EU and banned exports of “dual use” goods to Syria.

The sanction package also includes far-reaching, sector-related measures that stand in the way of rehabilitation and the reconstruction of war damage. For example, it restricts the financing of infrastructure projects in the oil and electricity sectors and prohibits European Investment Bank (EIB) support for projects in Syria that would benefit the state. It also curtails Syria's finance and banking sector's dealings with Europe, which renders money transfers and trade with the country difficult, often due to overcompliance of banks.

The EU's Approach Has Not Worked

The European approach has not proved effective. First, the EU and its member states have not hitherto been able to exert any tangible influence on local conflict dynamics and the conduct of the Syrian leadership. That is mainly because the Europeans have not had any significant military presence and have refrained from exerting political influence internationally. But the EU has also stuck to an objective that is no longer realistic: political transition in Syria. Admittedly, the EU has softened its rhetoric and no longer speaks explicitly about regime change or the division of power. However, the sanctions regime and the conditionality for reconstruction aid continue to target political transition, i.e. regime change. Also, Brussels has not yet spelt out which kind of behavioural change in Damascus – below the threshold of regime change – would lead to which European concession.

Second, the European approach is problematic in that both the focus on emergency relief and the comprehensive sanctions will not allow the population to be supported effectively. Such support, however, is ever more urgent in the face of the worsening economic crisis and erosion of service provision in Syria. Even before the COVID-19 pandemic hit Syria, some 11 million Syrians (of the 18 million who have remained in the country) were dependent on international humanitarian support, and more than 80 per cent lived under the poverty line. If not reconsidered, the EU approach could contribute to entrenching a situation in which the Syrian population remains dependent on international aid in the long run – aid that already had to be significantly reduced due to a lack of funding in the wake of the economic impact of the pandemic.

Third, cracks have been appearing in the joint European approach. Germany, France and Great Britain, in particular, have been sticking to the agreed-upon position. Other EU member states have, in recent years, resumed relations with relevant people in the regime's leadership circle (Italy and Poland) or have vociferously discussed the reopening of their embassies and greater economic involvement in Syria (Italy, Austria, Hungary and Poland). One thing is crystal clear in this context: if EU member states drift apart in their dealings with Damascus, they run the risk of throwing away the little influence they potentially have. Funding for reconstruction, a resumption of diplomatic relations and sanctions relief must all be played jointly if they are to have political weight.

That is why the EU and its member states should revise their approach to Syria, which needs to be more finely tuned to local challenges and current circumstances. It also needs to bring European interests and instruments into line and use the little leverage the EU possesses as effectively as possible.

This would mean, first and foremost, admitting that the Europeans cannot, with their incentives and sanctions, bring about what the Assad regime and its allies have militarily averted: a negotiated settlement to the conflict and a political opening in Damascus. At the same time, the EU should have no illusions about the Syrian leadership being a reliable partner, whether it be on economic reconstruction, fighting terrorism or the return of refugees. Last but not least, the current severe economic and currency crisis and the erosion of state capacities in

Syria must not be mixed up with the imminent collapse of the regime, even less so in favour of a political alternative that would unify and stabilise the country.

In concrete terms, the EU and its member states should contribute to a more sustainable way of alleviating the misery and allow for the creation of livelihoods in Syria. This has three main components. First, Europeans should work with like-minded partners in the UN to establish more effective oversight of UN aid in Syria to ensure that it is being dispensed according to humanitarian standards of impartiality. The Europeans should, second, clarify sanctions regulations so as to avoid overcompliance, allow for humanitarian exemptions from the sanctions regime, and dismantle those sectoral sanctions that prevent rehabilitation and development. They should also try to convince the U.S. administration to allow generous humanitarian exemptions from the Caesar sanctions (enacted on June 17, 2020) to make sure that Syrian citizens do not bear the brunt of the U.S. «maximum pressure» campaign. The Europeans should, third, support the rehabilitation of basic infrastructure and help to improve living conditions via work programmes and local procurement – as long as certain conditions can be guaranteed. In this context, in which areas to engage should depend, first and foremost, on local needs rather than the political behaviour of those in control, be it the regime, the Kurdish-dominated SDF or rebel forces. At the same time, it must be ensured that such projects do not violate HLP rights, or exclude population groups, and that independent needs assessments and monitoring can take place.

«More for More»

Sustainable stabilisation in Syria can only be achieved through far-reaching reforms. In this vein, the EU should spell out its «more for more» approach to show how relations with Damascus could be gradually normalised in return for a political opening and structural reforms. The leadership in Damascus cannot at the current juncture be realistically expected to regard a fleshed out “more for more” as an offer it needs to concern itself with. So it is unlikely that operationalisation under current circumstances would bring about any change in behaviour. Nevertheless, it remains imperative that the European states agree a shared line on which behaviour of the Syrian leadership their concessions should depend on. It should also be made clear to Damascus that the EU and its member states are sticking to the perspective that a lasting stabilisation presupposes fundamental reforms. And it is worthwhile laying out how a path of rapprochement might look, because it is by no means excluded that a future leadership in Damascus would develop an interest in closer relations and/or that Moscow might be prepared to support elements thereof.

It would therefore be helpful to review the European approach and see what can already be done and what should be conditional on the behaviour of the leadership. As explained above, measures orientated on the basic needs of the population should not be subject to political conditionality. The most important consideration here is to ensure that European aid is not diverted and politicised. But any rapprochement with Damascus and engagement in reconstruction should

be dependent on concrete and verifiable political steps. First of all, this would include elements relating to fundamental human rights. This would mean ceasing systematic abuses, arbitrary detention, torture and forced conscription by the Syrian security forces; political prisoners would have to be released, the fate of disappeared persons clarified, and refugees and IDPs able to return in dignity and safety; HLP rights would have to be guaranteed. For there to be any chance of success in this, impunity will have to be ended and the rule of law strengthened. Further steps would then aim for a political opening and greater inclusion (for example through elections under international supervision with the participation of all Syrians) and support to the Geneva Process (Constitutional Committee and reconciliation efforts). In return, Europe could gradually resume technical cooperation with Syrian ministries, go beyond rehabilitation measures to devise and support plans for reconstruction, reforms and reconciliation jointly with state entities, local stakeholders and Syrian civil society, and, at an appropriate point in time, appoint a high-ranking EU envoy for reconstruction and relations with Damascus.

At the same time, the EU and its member states must refrain from normalisation with the Assad regime's top officials. Rather, they should continue to support NGOs and international mechanisms in the documentation of war crimes, grave human rights violations and the use of internationally banned weapons, and – where possible – press ahead with establishing the capacities necessary for prosecutions under the principle of universal jurisdiction.

A Focused EU-Russia Dialogue

Three main issues concerning the situation in Syria necessitate dialogue between the EU and its member states and Russia: how to address the deterioration of the humanitarian situation (including questions of access, protection of civilians in armed conflict, and ensuring the impartiality of humanitarian aid), how to make international support more effective (including the creation of conditions that allow for moving from emergency aid to rehabilitation and recovery), and how to achieve sustainable stabilisation in the long run. Despite difficult EU-Russia relations over Syria and increasing tensions between Europe and Russia in other policy areas, a focused, in-depth exploration of these questions should be in the interest of both sides.

Economic Reconstruction in Syria – a Case for Selective Engagement Between the EU and Russia?

Aleksander
Aksenenok

The issue of economic reconstruction in war-torn Syria raises crucial questions about the possibility of EU-Russia cooperation in the turbulent international and regional context of the Syrian conflict. Are recent changes in and around Syria favourable for such cooperation? Is it enough for the EU to change its Syria strategy or should Russia also critically revise its approach to reconstruction?

Assessing the Current Situation

The armed confrontation in Syria is not yet over. However, after nine years, the Syrian civil war has ended, at least in its initial form. Most notably, the military infrastructure of Daish has been destroyed. The opposition and moderate rebel groups ultimately chose compliance in the hope of preserving as much as possible of their former authority.

As long as its socio-economic root causes remain unaddressed, the conflict itself will remain unresolved. There can be no sustainable solution unless the mentality that triggered the conflict has been eliminated and practical political solutions are on track. Damascus may control the most populous and politically-significant portions of Syrian territory, but the country remains divided de facto into several geographical spheres of political and military influence. The last contested territories in the North-West (Idlib and its adjacent regions) do not pose a military threat to the regime. Russia and the Syrian government consider them to be a frozen local conflict in the fight against the terrorist threat.

In all three major areas outside government control, the engagement lines are getting more and more impermeable. Any movement across these lines could risk uncontrolled clashes with the major powers involved (Turkey, Russia, the U.S. or Iran) that would likely require some new political trade-offs or a complex series of partial deals. Therefore, in this precarious equilibrium on the ground, any of the acting players, including Damascus itself, could act as a spoiler and destabilise the situation further. Meanwhile, the political process is deadlocked. The «Geneva-2» conception of power-sharing or the devolution of power through the establishment of a «transitional governing body» that «would exercise full executive powers» (Action Group for Syria Final Communique of 30.06.2012) was actually refuted by the regime. Instead, there emerged an international consensus emphasising the need for constitutional reform followed by «free and fair elections under supervision of the United Nations» in accordance with Security Council Resolution 2254, adopted on December 18, 2015. But the initial hope turned into frustration when the Geneva process stalled. It took two years and significant efforts to form the Constitutional Committee which has only led to more procrastination.

Many—though by no means all—policymakers in Europe have come to the conclusion that a political transition that removes President Bashar al-Assad from power is unlikely. Efforts to isolate the Syrian government diplomatically and economically have succeeded in choking Syria's economy and denying western reconstruction assistance. They have failed, though, to alter the Syrian government's behaviour meaningfully. This approach has led to a complete loss of leverage.

This does not mean, however, that the path to peace in Syria is forever blocked. The assessment of the situation on the ground needs to be sober and realistic. There are a number of factors that could stipulate a political, realistic solution, which neither the opposition nor Assad might like.

New Challenges and Rationale

With these recent developments, Syria has entered a no less critical phase of growing uncertainties and looming threats. The challenges now faced by the country may be even more serious than during the active phase of hostilities. The excessive ambitions of the Syrian leadership are under powerful pressure from both inside and outside the country. At this stage of the conflict, it is the aftershocks of the economy of war, the systemic corruption and highly volatile socio-political environment that pose a real threat. This includes a web of old and new problems amplified by a crippling energy and financial crisis, aggravated by the new U.S. and, to a lesser degree, European sanctions, the still unpredictable effect of the COVID-19 pandemic, and increasing tensions among the ruling class, including the Assad family circle.

Muriel Asseburg rightly points out that there is no economic reconstruction process to date that would correspond with international standards: a country-wide, centrally planned, controlled and internationally financed program.

None of Damascus's allies has the capacity to meet the enormous challenge of post-war economic reconstruction in Syria, even if China, India and some European countries chipped in. Even if such reconstruction was politically possible, the most urgent priority today is to satisfy the population's everyday needs in terms of food, medicine, electricity, fuel and sanitary supplies, and to prevent living standards from deteriorating further.

For these purposes, international humanitarian assistance is not enough. There is an acute necessity to provide the financial resources required for this kind of recovery. Investing in Syria should be seen as a global public good, given the special status of this conflict on the international agenda.

However, economic incentives for Damascus are lacking, while the military threat to the regime has been eliminated. This approach has led to a complete loss of western political leverage and made it very complicated to exert a positive influence on the Syrian regime from Russia's side. Putting economic instruments into play instead of maximum pressure could strengthen the position of those in the Syrian government and the army who are in favour of reasonable compromise along the lines of Security Council Resolution 2254.

Muriel Asseburg points out that the European strategy in Syria needs to be changed. The same can be said about the Russian approach.

For the past two years, Russia has lobbied governments across the world to invest in post-war economic reconstruction in Syria as if it was more interested in this than Damascus itself.

Initially, Russia courted the U.S., surprisingly focusing on the high-level military and bypassing traditional diplomatic channels. After these attempts were refuted, Moscow shifted its focus and made high level appeals to major European and Gulf state leaders, but with the same result.

When Russia made its advances, it was referring mainly to «reconstruction» in terms of rebuilding the physical infrastructure and providing the logistics for the organised return of refugees.

However, previous experience of post-conflict reconstruction postulates that to bring a country from war to peace, economic recovery and political reforms should go hand in hand. In Syria, this kind of holistic approach is still lacking.

Russia and the EU: Shared Interests and Prospects for Cooperation

Policymakers in Russia seem to have realised that all these different domains are connected. In parallel with promoting urgent Russian economic aid, Moscow has increased its efforts to convince the Syrian leadership to support the work of the Constitutional Committee more constructively, create appropriate security conditions and improve the investment climate, as well as start preparatory activities for the forthcoming presidential elections. The appointment of Russia's ambassador to Syria, Aleksander Yefimov, as President Putin's special envoy for the development of Russian-Syrian relations can be considered the end of the period of «military diplomacy.» The new capacity will raise Yefimov's status and broaden his prerogatives as a coordinator between Russian and Syrian economic operators in Syria, as well as with the presidential palace in Damascus.

However much Russia's role in Syria may have changed over the past years, Moscow cannot, on its own, compel either Assad or Iran to comply fully with Security Council Resolution 2254. The Caesar Act Damocles sword makes this task even more problematic. If they want to increase their political leverage, Russia and the EU should take a fresh look at the evolving conflict in Syria. Only jointly can they prevent the new socio-political cataclysms that could reach beyond the regional borders.

Moscow needs a certain degree of understanding with western partners, notably with the EU, and its major member states, like Germany and France, on three practical issues: sanctions relief, limits to political conditionality and a «more for more» approach. Muriel Asseburg's paper could lay a minimum common ground for launching such a dialogue on Syria.

The initial aim of EU **sanctions** against Syria was to generate regime change. When the objective of EU policy shifted to reforms, the sanctions were never adjusted. As a result, the sanctions became counterproductive and disconnected from the policy goals for which they were imposed. Paradoxically, they empowered «the party of war» (a handful of Syrian billionaires and hundreds of warlords). Some decision-makers in the West may consider the near economic collapse of Syria as proof that the sanctions worked, but this claim is dubious considering the price that has already been paid by ordinary Syrians and the risk of completely destabilising the country for years to come.

For humanitarian reasons, it's time for the EU to suspend its sanctions that are broadly affecting the target nation's health sector. This gesture of compassion would assist the civilian population that is under extreme threat, at least for the duration of the health crisis.

EU sanctions on Syria reconstruction are unlikely to be eased or lifted without the government of Syria accepting some remedial measures. Although the EU has not made Assad's stepping down a precondition for engaging in rehabilitation efforts, its political conditionality formula remains too ambiguous to become a positive incentive for Syria. It needs some more precision and sequencing in line with the «**more for more**» approach.

For its part, Russia should first acknowledge (implicitly) that the conflict resolution in Syria encompasses multiple parallel tracks where the economy cannot be separated from politics, whether someone likes it or not.

Second. This kind of political opening could create an appropriate atmosphere conducive to consultations, specifically on Syria, covering a number of practical issues related to the EU's priorities for engaging with the Syrian government.

Third. If there is a senior-level agreement on the scope of collaboration or actions in parallel, Russia could probe an alternative set of concrete steps (refugee return, CBM, tangible progress towards a political settlement, releasing political prisoners, civilian protection, humanitarian assess etc.), which Damascus would be asked to take in return for a package of economic incentives from the EU. Unilaterally, Russia is already doing its best in this regard. Nevertheless, an agreement with the EU could give these efforts added value.

Rebuilding Syria: Is “Selective Cooperation” Between Russia and the EU Possible?²

After the well-known events in Ukraine in 2014, confrontation, sanctions and counter-sanctions have become the new normal in Russia's relations with the EU member states. Both parties agree that a return to the previous model of “business as usual” in the near- and medium-term is impossible. At the same time, there is a mutual understanding that the relationship between Russia and the EU, even at a low level, hasn't become as aggravated (characterised by mutual accusations

² This part of the paper first published at Valdai Club Website: <https://valdaiclub.com/a/highlights/rebuilding-syria-is-selective-cooperation-between/>

and claims) as between Russia and the United States. Despite their fundamental differences, Moscow and Brussels have a sufficient number of common interests and common challenges, which makes it possible to conduct dialogue at an official level and within the framework of public diplomacy on a wide range of issues of foreign policy and bilateral relations to find forms and methods of interaction amid the changed conditions.

During the work of the EU-Russia Expert Network on Foreign Policy, the participants agreed to use the term “selective cooperation” as an alternative to “partnership,” which was used prior to the crisis. This is considered a process by which the parties can map out areas for possible interaction in order to prevent further deterioration and maintain the precarious status quo.

The situation in Syria is included among nine high-priority topics which have been proposed for discussion between Russia and the EU. On a number of issues, the positions of Russia and the EU differ. Still, at the same time, there is a common interest in the fight against the persisting terrorist threat and in the restoration of post-war Syria as a territorially integrated state by achieving a settlement that would ensure inter-Syrian accord and regional stability in accordance with the primary international legal documents, particularly Resolution 2254 of the UN Security Council. While the United States is not directly affected by the threats emanating from this extended conflict, for Europe and Russia the preservation of an explosive situation in Syria is fraught with the danger of new outbursts of terrorist activity, the rise of extremist ideologies, and an influx of refugees, not so much for political reasons, as for economic reasons.

The key areas of disagreement include three groups of issues directly related to the conditions of the “economic rehabilitation” of Syria, the sanctions regime and the mechanism for providing the nation with international humanitarian assistance.

The European Union is not directly involved in the Syrian conflict, yet it is one of the major donors in providing humanitarian and economic assistance to Damascus through its structures, the UN and non-government organisations. Naturally, the leading EU member states are also interested in securing their place as political players. The Europeans understand this role, which uses economic instruments on political terms and applies sanctions pressure. However, the range of sanctions from the EU is not as wide and impactful as from the United States, taking into account the so-called Caesar Law, which recently entered into force.

The EU leadership views the regular holding of donor conferences on Syria (since 2017) jointly with UN organisations not only as fundraising, but also as a confirmation of its long-term strategic interests in the Middle East region, which is adjacent to Europe. The fourth and last conference of this kind was held in Brussels from June 22 to June 30 via video link due to the pandemic. In the first few days, discussions took place on the difficult situation in Syria with representatives of Syrian civil society in Damascus and abroad, and then on June 30 at the ministerial level. On behalf of Russia, the conference was

attended by Deputy Foreign Minister Sergey Vershinin who deals with the Syrian settlement.

The Conference led to the mobilisation of new commitments of €6.9bln, of which two-thirds came from the European Union. Of the total previously collected donor funds for distribution in 2020, \$3.4bln is intended to support nine million Syrians, including internally displaced persons, in need of humanitarian assistance. \$5.2bln has been earmarked for aid to six million Syrian refugees in neighbouring countries (Turkey, Lebanon, Jordan, Iraq and Egypt). According to the EU, since the beginning of the conflict in 2011, EU countries and economic agencies have allocated various types of assistance totalling more than €20bln.

The figures mentioned above look rather impressive. As for the practical implementation of donor promises and their use to restore the economy, which was destroyed during the war, the picture is less rosy. Donors themselves often violate their commitments. The distribution of aid is hampered by bureaucratic slingshots and the absence of an agreed-upon international mechanism for its delivery. But the main obstacle the EU faces are the political conditions of the allocation of funds for the reconstruction of the destroyed infrastructure and the sanction policy, which also hinders the humanitarian activities of companies and various NGOs.

In this sense, the Brussels conference only confirmed the previous positions. As stated by EU High Representative for Foreign Affairs Josep Borrell, “The European Union will take part in the reconstruction of Syria only if there is a stable political process, in accordance with UN Security Council Resolution 2254. Otherwise, all efforts are in vain....Syria currently does not meet any of these criteria.” There have been no changes in the sanctions policy, although the EU leadership argues that “restrictive measures” are not targeted at the civilian population, nor are there restrictions on humanitarian aid and medical supplies. The Russian representative, for his part, stressed that “one of the reasons for the current difficult situation is also unilateral sanctions, the negative effect of which cannot be compensated for, either for donor contributions or declared humanitarian aid, which in practice do not work.”

The difference between the officially-declared approaches of Russia and the European Union is indeed considerable and seemingly irreconcilable. At the same time, the situation in and around Syria is changing rapidly.

In contrast to 2016, when the European Union began raising donor funds, the fourth conference, held under the pretentious title “Supporting the future of Syria and the region,” took place amid the special conditions prevailing in Syria in the tenth year of the armed conflict. The most crucial phase of the civil war is over, but the conflict itself is far from being resolved. The real short-term challenges lie in the precipitous deterioration of the socio-economic situation, in the absence of real progress in the intra-Syrian dialogue. A mood of hopelessness and alarming expectations is ripening in the international community and among Syrians of various political orientation, as the summer 2021 presidential elections approach.

In addition to Brussels' stubborn reluctance to deal with the Syrian government, the negative dynamics of the Syrian conflict is also due to the stance of Damascus itself. Financial damage and material destruction have reached such proportions that the task of reconstructing its economy has become almost impossible for Syria, no matter how the government changes, or for any sole state or even group of states.

Although the crisis in the Syrian economy, which was less noticeable during the years of war, began to escalate since the beginning of last year rapidly, the Syrian leadership has declared its unwillingness to receive help from “accomplices of terrorism,” thereby politicising these issues. Indicative in this regard are the statements of the Syrian Foreign Minister of July 23 on the need to use the Caesar Law as “an opportunity for the development of the national economy, the implementation of the principle of self-sufficiency and the strengthening of versatile relations with Syria’s friends and allies.” The Syrian Foreign Ministry condemned the Brussels conference as “interference in the internal affairs of Syria,” local officials and the media are returning to exhausted rhetoric about the existence of some kind of “external anti-Syrian conspiracy” and have called for “resilience and resistance.”

The reality is that there are practically no prerequisites for the implementation of significant projects aimed at the post-war reconstruction of Syria. And we are not talking about reconstruction as such. Most Syrians struggle to survive in the face of continually rising prices, food scarcity, limited access to fuel and disrupted livelihoods. Volatile commodity markets and the coronavirus pandemic have objectively limited the financial and economic opportunities of Russia and Iran. Under these conditions, a real economic “rehabilitation” of Syria is possible only if efforts are coordinated at the international level. This is the point where a convergence of interests would make it possible to link economic and humanitarian aid with progress on the political track in one stabilisation package.

Currently, the new EU leadership is revising its activities in the main foreign policy areas, taking into account global changes, including the consequences of the coronavirus pandemic. Discussions amongst European policy analysts and politicians have hinted that Europe’s strategy on Syria is due for revision. There is an understanding that a “political transition” contingent upon the removal of Bashar Assad from power is neither pragmatic nor realistic, and the current policy of economic pressure and diplomatic isolation has not yielded results. The resulting impasse complicates the humanitarian situation, complicates the return of refugees and creates the preconditions for a renewed escalation of violence in the future. Several European states (Italy, Poland, Austria, Greece, Hungary), in violation of internal “discipline,” are restoring tacit contacts with Damascus, discussing the possibility of returning embassies and partially unblocking trade and economic ties.

The “fine-tuning” of European policy on the principle of “more in exchange for more” is being put forward as an alternative to the current course, which has revealed its ineffectiveness. This adjustment involves the partial lifting

of sectoral sanctions and a number of other restrictions which would help to ease the living conditions of the Syrians. In exchange, the Syrian government should demonstrate concessions in terms of the practical implementation of the requirements of UN Security Council Resolution 2254 and close cooperation for this purpose with the Special Envoy of the UN Secretary-General in preparation for the upcoming presidential elections.

Can Russia and the EU interact constructively on the Syrian issue? For this to be possible, there must be a joint understanding of what actions are expected from Damascus and in what order, as well as what concessions the EU is ready to make in the event of a change in the “behaviour of the regime.” In this regard, the role of Russian diplomacy in the search for common ground between Brussels and Damascus seems irreplaceable and timely. If Europe takes the path of changing its current sanctions strategy, much will depend on the extent to which Russia, for its part, is ready to adhere to a holistic approach. This implies reaching compromise agreements simultaneously in three areas – the reform of the constitutional and political structure of Syria, economic recovery, and the establishment, in agreement with the Syrian authorities, of an international mechanism for the distribution of humanitarian aid, taking into account the concerns of all parties.

Of course, the views of Russia and Europe have more differences than common features regarding the reconstruction of Syria. The difference in approaches of both sides is influenced by the current state of Russia-U.S. relations, however, there is a growing understanding in the European Union that the geopolitical interests of European states should not always coincide with the interests of their unpredictable Euro-Atlantic ally.

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